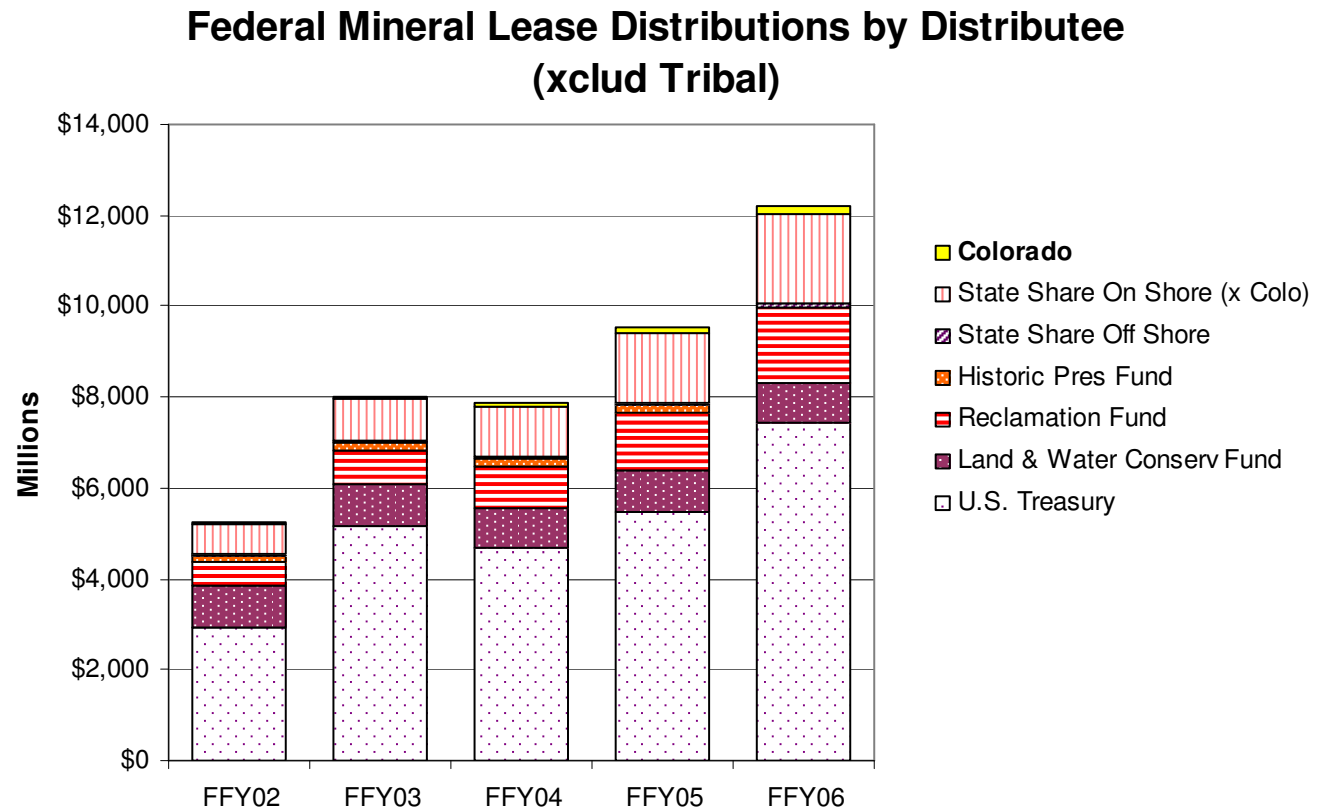


# **Federal Mineral Lease Receipts to Colorado**

**Working Group**

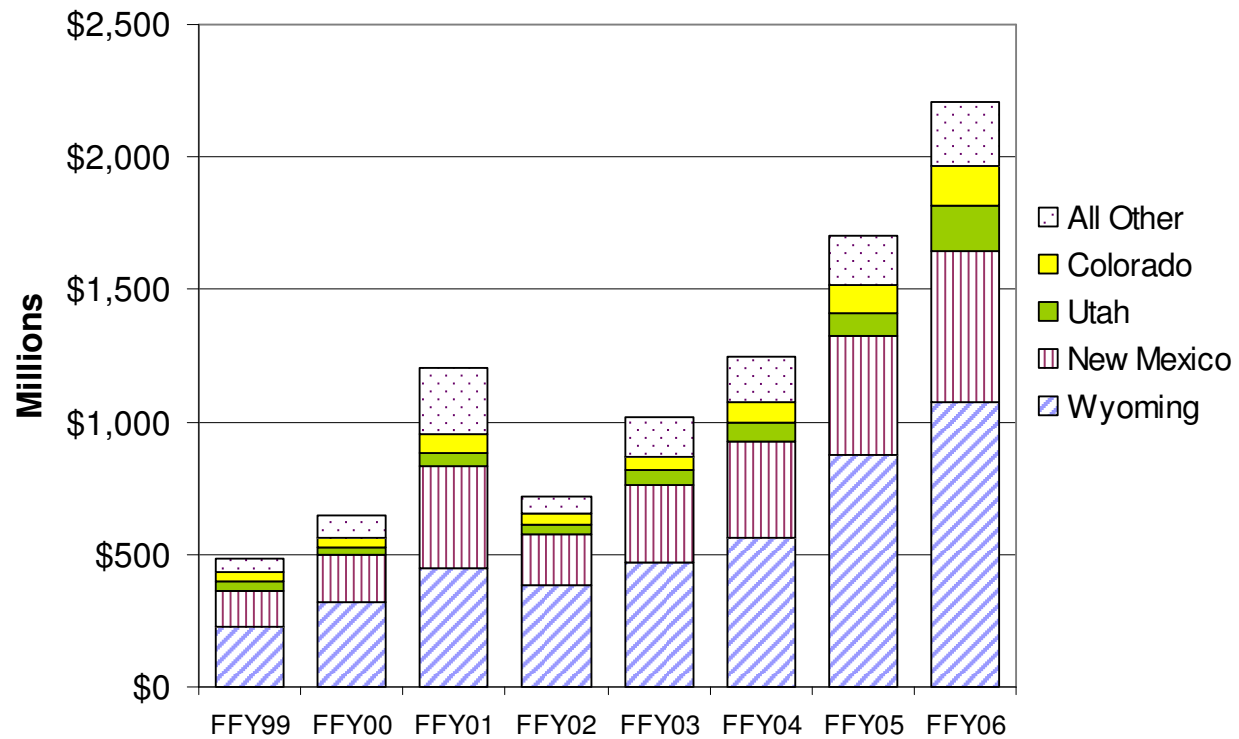
**September 28, 2007**

**States receive about 18% of federal mineral lease revenue across the nation.**

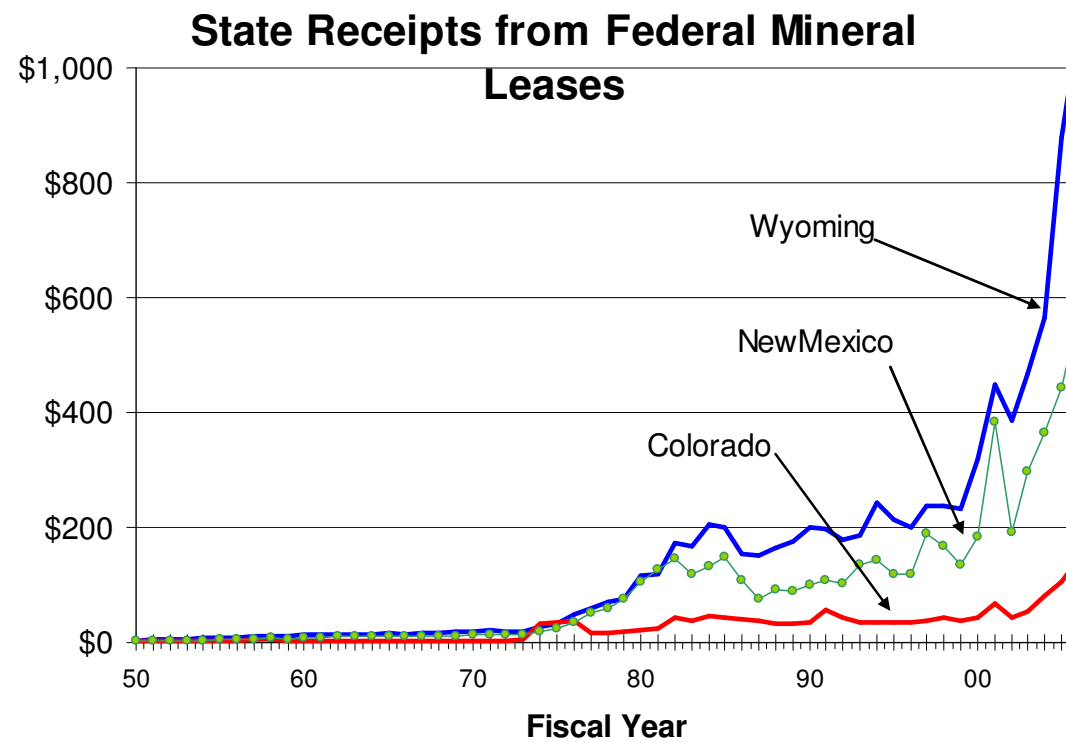


**Of the 18% states' share of federal mineral royalties,  
Colorado receives about 7%**

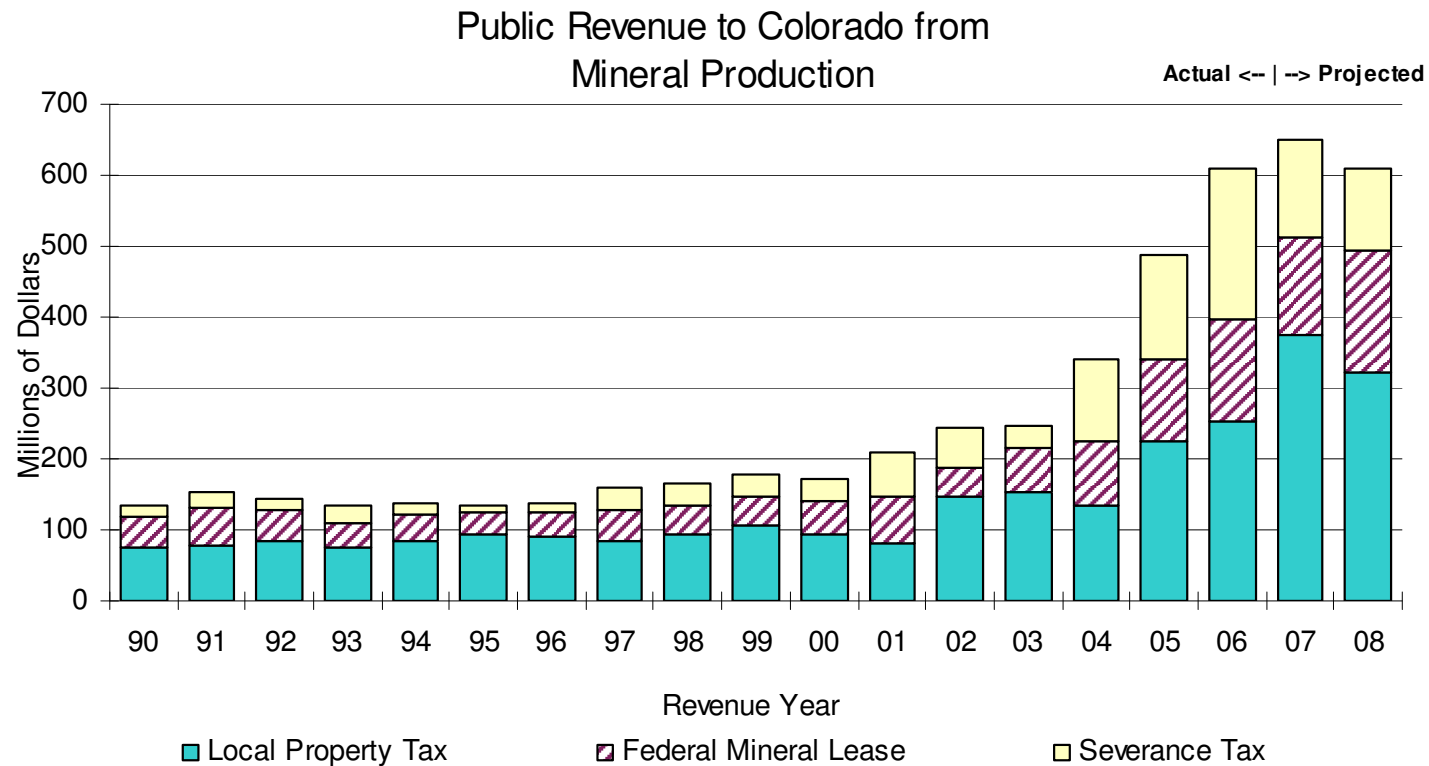
### **Federal Mineral Lease Payments to States**



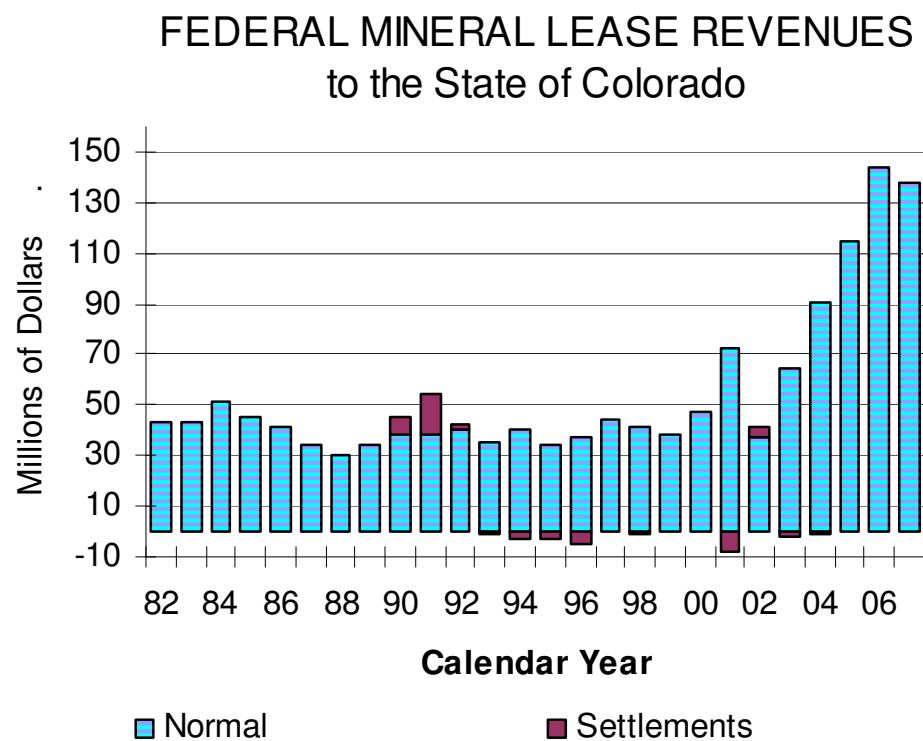
**Federal Royalties have been substantial in neighboring states.**



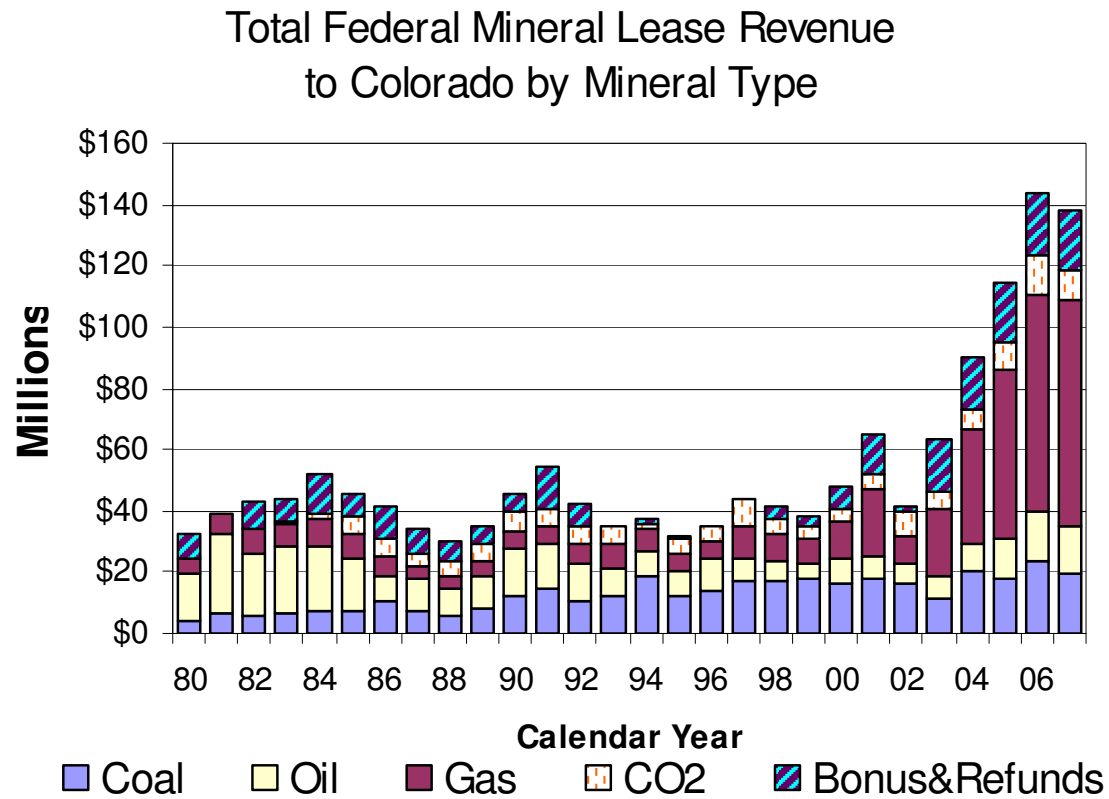
**Property tax revenue to local governments from mineral production  
usually exceeds the amount collected by the state  
from severance and federal mineral lease**



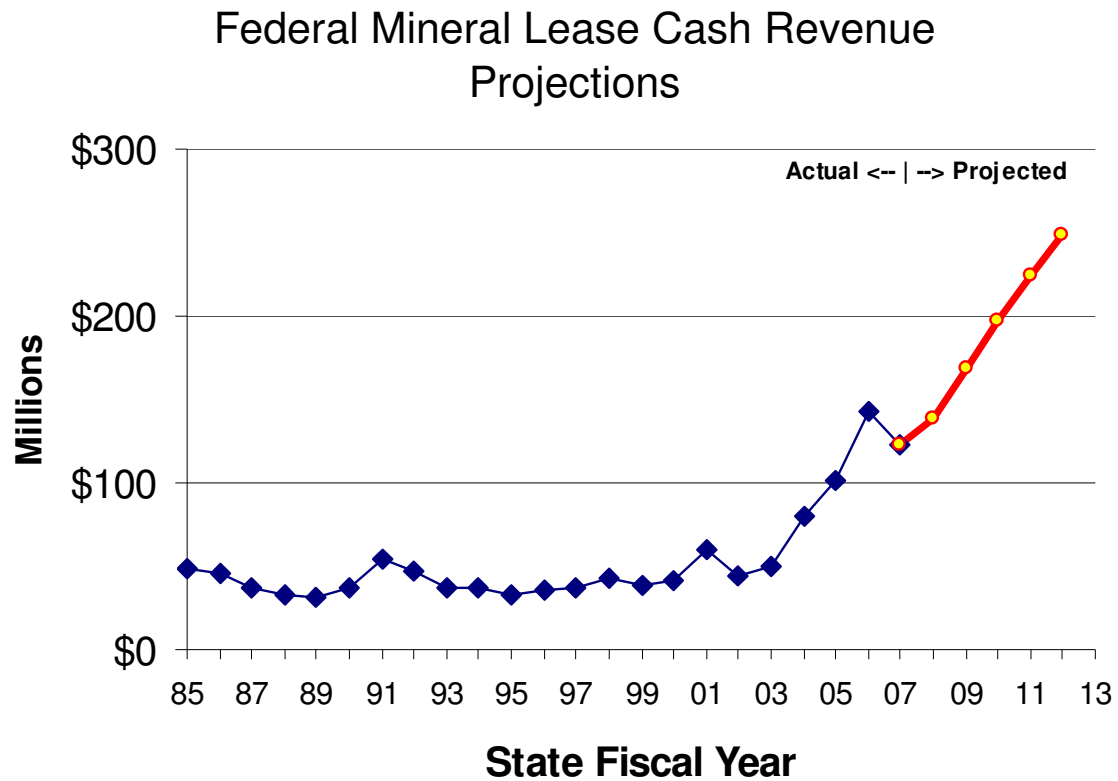
**Federal mineral lease revenues to the state experienced a large boost in 1991 and 1992 due to settlement of long standing payment disputes and declines in 1995 due to refunds. Otherwise, they cycle with market prices.**



**Most of the federal mineral lease revenues  
now comes from natural gas production.**

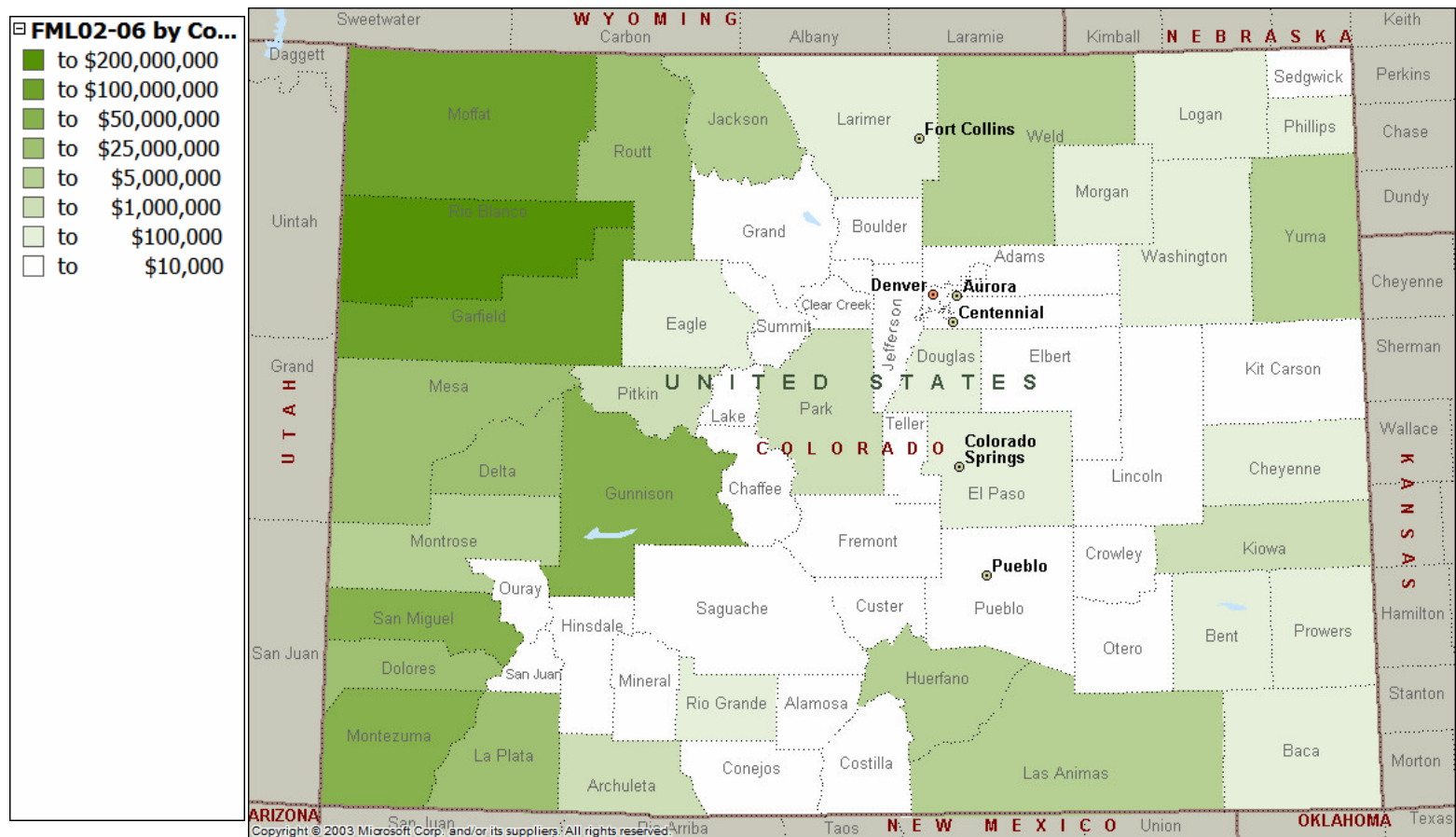


**Colorado revenues from federal mineral leases could become huge,  
with large cycles and eventual decline**

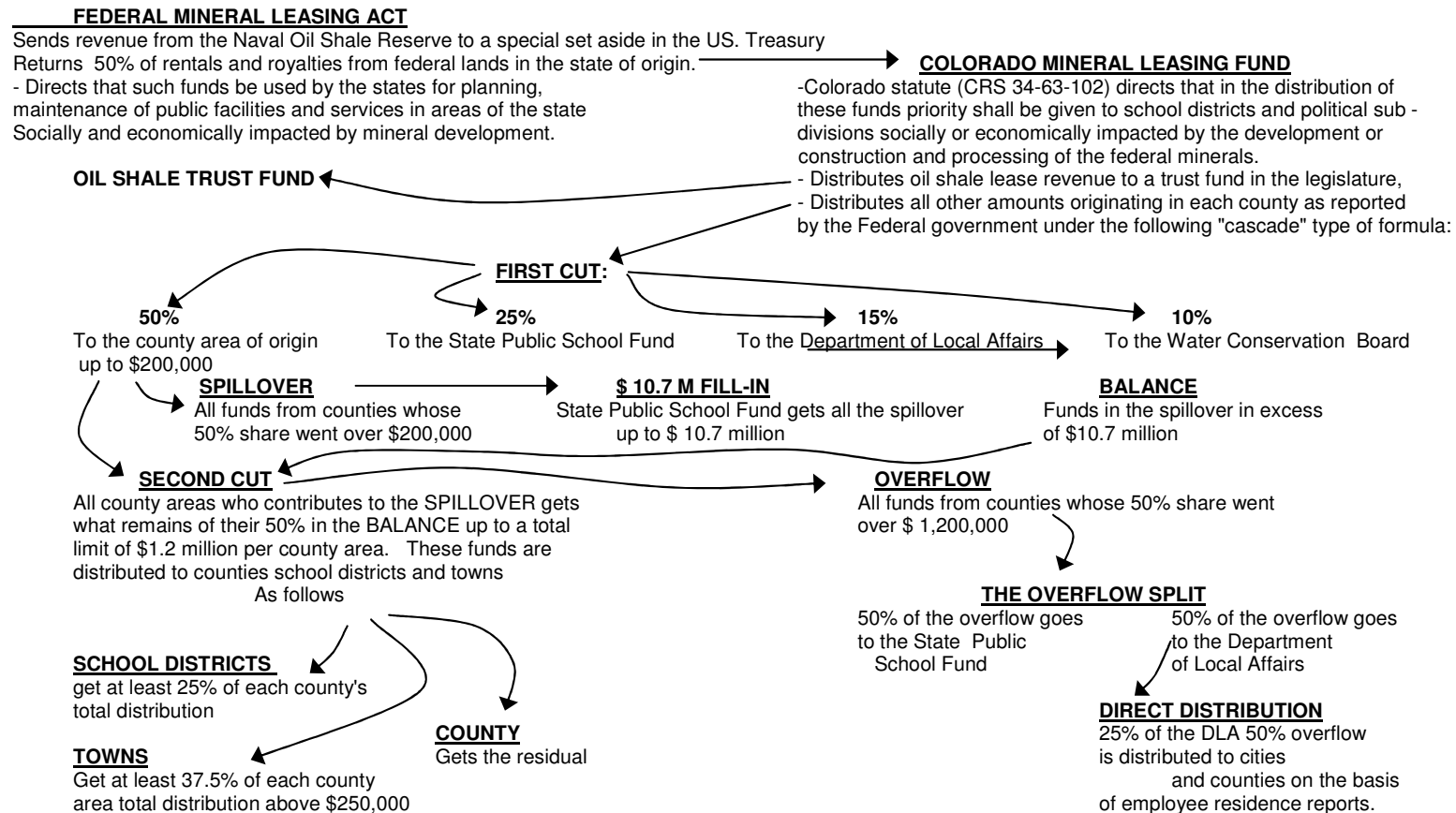




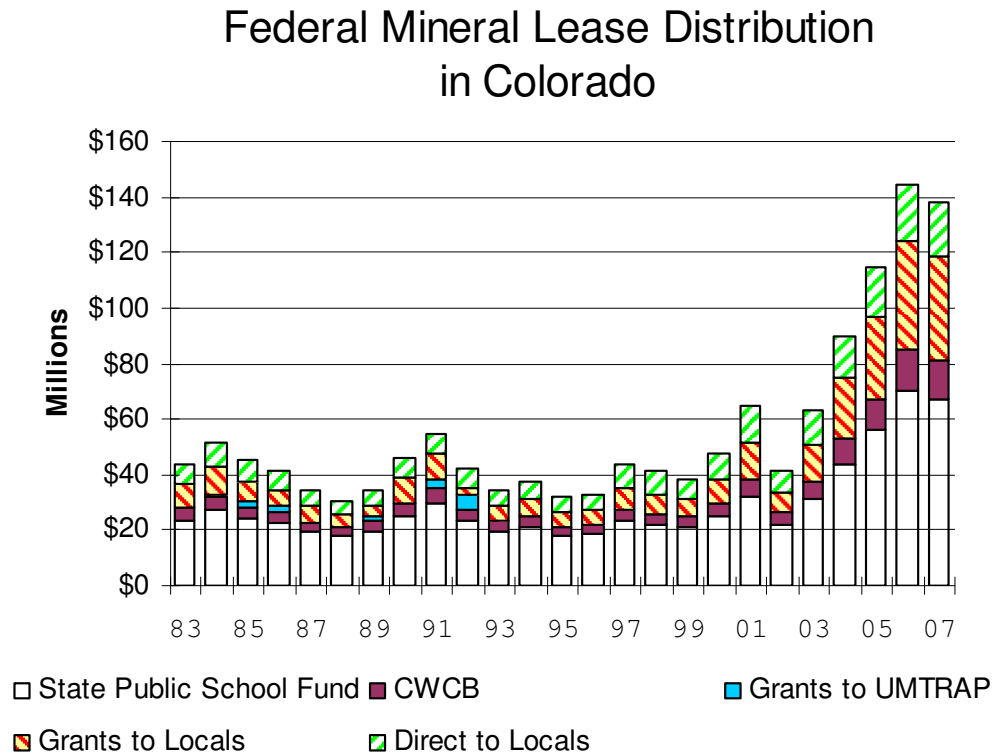
## Colorado Federal Mineral Lease production is highly concentrated in the Northwestern area



# Federal mineral lease revenues to the state are distributed in a complex “cascade” formula set in state statute, which also has a direct distribution component.



**The cascade method of distribution of federal mineral lease revenue puts most of the revenues back to local governments either directly or through the state school fund and impact assistance grants.**



Further description of the Federal Mineral Lease distribution can be found at:

[http://dola.colorado.gov/dlg/fa/eiaf/docs/fml\\_chart\\_memo.pdf](http://dola.colorado.gov/dlg/fa/eiaf/docs/fml_chart_memo.pdf)

## The Numbers

<b>Calendar Year-&gt;</b>		<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Total Receipts \$M</b>		<b>\$41.8</b>	<b>\$62.8</b>	<b>\$89.9</b>	<b>\$114.8</b>	<b>\$144.1</b>
<b>Counties</b>		<b>\$4.0</b>	<b>\$5.2</b>	<b>\$5.6</b>	<b>\$6.2</b>	<b>\$6.2</b>
<b>School Districts</b>		<b>\$2.1</b>	<b>\$3.0</b>	<b>\$3.4</b>	<b>\$3.7</b>	<b>\$3.8</b>
<b>Towns</b>		<b>\$2.0</b>	<b>\$2.9</b>	<b>\$3.4</b>	<b>\$3.8</b>	<b>\$4.0</b>
<b>CWCB</b>		<b>\$4.2</b>	<b>\$6.3</b>	<b>\$9.0</b>	<b>\$11.5</b>	<b>\$14.4</b>
<b>State Public School Fund</b>		<b>\$22.2</b>	<b>\$31.2</b>	<b>\$44.1</b>	<b>\$55.9</b>	<b>\$70.4</b>
<b>DOLA Grants</b>		<b>\$7.1</b>	<b>\$13.0</b>	<b>\$21.7</b>	<b>\$29.6</b>	<b>\$39.4</b>
<b>DOLA Direct Distributions</b>		<b>\$0.3</b>	<b>\$1.2</b>	<b>\$2.7</b>	<b>\$4.1</b>	<b>\$5.9</b>
<b>Counties</b>		<b>9.6%</b>	<b>8.3%</b>	<b>6.2%</b>	<b>5.4%</b>	<b>4.3%</b>
<b>School Districts</b>		<b>5.0%</b>	<b>4.8%</b>	<b>3.8%</b>	<b>3.2%</b>	<b>2.6%</b>
<b>Towns</b>		<b>4.7%</b>	<b>4.6%</b>	<b>3.8%</b>	<b>3.3%</b>	<b>2.7%</b>
<b>CWCB</b>		<b>9.9%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>
<b>State Public School Fund</b>		<b>53.1%</b>	<b>49.6%</b>	<b>49.1%</b>	<b>48.7%</b>	<b>48.9%</b>
<b>DOLA Grants</b>		<b>16.9%</b>	<b>20.7%</b>	<b>24.1%</b>	<b>25.8%</b>	<b>27.3%</b>
<b>DOLA Direct Distributions</b>		<b>0.7%</b>	<b>1.9%</b>	<b>3.0%</b>	<b>3.6%</b>	<b>4.1%</b>